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**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

**In re:**

**PG&E CORPORATION,**

**- and -**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

**Debtors.**

- ☐ Affects PG&E Corporation  
☐ Affects Pacific Gas and Electric Company  
☒ Affects both Debtors

*\* All papers shall be filed in the Lead Case,  
No. 19-30088 (DM).*

Bankruptcy  
Case No. 19-30088 (DM)  
Chapter 11  
(Lead Case)  
(Jointly Administered)

**DEBTORS' AND SHAREHOLDER  
PROONENTS' MOTION PURSUANT TO  
11 U.S.C. §§ 105(a) AND 107(b) AND  
FED. R. BANKR. P. 9018 FOR ENTRY  
OF AN ORDER AUTHORIZING THE  
SEALING OF THE DEBTORS' AND  
SHAREHOLDER PROONENTS'  
OBJECTION TO MOTION OF THE AD  
HOC COMMITTEE OF SENIOR  
UNSECURED NOTEHOLDERS FOR  
ENFORCEMENT OF THE  
NOTEHOLDER RSA**

[No Hearing Requested]

1 PG&E Corporation and Pacific Gas and Electric Company, as debtors and debtors in  
2 possession (collectively, “**PG&E**” or the “**Debtors**”), and certain funds and accounts managed or  
3 advised by Abrams Capital Management, LP, and certain funds and accounts managed or advised by  
4 Knighthead Capital Management, LLC (collectively, the “**Shareholder Proponents**”), hereby submit  
5 this Motion (the “**Sealing Motion**”), pursuant to sections 105(a) and 107(b) of title 11 of the United  
6 States Code (the “**Bankruptcy Code**”), Rule 9018 of the Federal Rules of Bankruptcy Procedure (the  
7 “**Bankruptcy Rules**”), Rule 1001-2(a) of the Bankruptcy Local Rules for the United States District  
8 Court for the Northern District of California (the “**Bankruptcy Local Rules**”), and the *New District*  
9 *Wide Procedures for Electronically Filing Sealed and Redacted Documents* adopted by the United  
10 States Bankruptcy Court for the Northern District of California (the “**Local Procedures**”), for entry  
11 of an order (i) authorizing the Debtors and the Shareholder Proponents to file under seal their  
12 *Objection To Motion Of The Ad Hoc Committee Of Senior Unsecured Noteholders For Enforcement*  
13 *Of The Noteholder RSA* (the “**Objection**”), and (ii) directing that the Objection remain under seal and  
14 confidential and not be made available to anyone except as set forth herein. The Debtors will provide  
15 copies of the Objection, on a “Confidential” and “Professional Eyes Only” basis, to (i) this Court,  
16 (ii) the United States Trustee for Region 17 (the “**U.S. Trustee**”), (iii) the professionals for the  
17 Creditors Committee and the Tort Claimants Committee (each as defined below), and (iv) the  
18 professionals for the Ad Hoc Committee of Senior Unsecured Noteholders (the “**Ad Hoc**  
19 **Committee**”).

20 In support of the Sealing Motion, the Debtors and Shareholder Proponents respectfully  
21 submit the Declaration of Stephen Karotkin (the “**Karotkin Declaration**”), filed contemporaneously  
22 herewith. A proposed form of order granting the relief requested herein is submitted concurrently  
23 herewith in accordance with the Local Procedures (the “**Proposed Order**”).  
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## MEMORANDUM OF POINTS AND AUTHORITIES

### **I. JURISDICTION**

The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.), and Bankruptcy Local Rule 5011-1(a). This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### **II. BACKGROUND**

On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary cases under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in either of the Chapter 11 Cases. The Debtors’ Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

On February 12, 2019, the U.S. Trustee appointed an Official Committee of Unsecured Creditors (the “**Creditors Committee**”). On February 15, 2019, the U.S. Trustee appointed an Official Committee of Tort Claimants (the “**Tort Claimants Committee**” and, together with the Creditors Committee, the “**Committees**”).

Additional information regarding the circumstances leading to the commencement of the Chapter 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in the *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief* [Docket No. 263] (the “**Wells Declaration**”).

### **III. THE RSA RELIEF MOTION**

On April 1, 2020, the Ad Hoc Committee filed under seal its *Motion For Enforcement Of The Noteholder RSA And Noteholder RSA Letter Agreement* [ECF 6592] (the “**RSA Relief Motion**”). Pursuant to the RSA Relief Motion, the Ad Hoc Committee seeks an order permitting it and its members to take certain actions regarding the Debtors’ pending motion to approve the Case Resolution Contingency Process. The Ad Hoc Committee contends that it was compelled to seek to

1 file the RSA Relief Motion under seal to avoid accusations that the Ad Hoc Committee violated the  
2 Noteholder RSA.

3 The Debtors and the Shareholder Proponents object to the relief sought in the RSA  
4 Relief Motion. Because the RSA Relief Motion is currently sealed, the Debtors and the Shareholder  
5 Proponents request authority to file the Objection under seal so that the Court may consider the  
6 Objection.

#### 7 **IV. BASIS FOR RELIEF REQUESTED**

##### 8 A. Bankruptcy Courts Must Protect Confidential Information Pursuant to Section 107(b) 9 Upon Request.

10 Section 107(b) of the Bankruptcy Code, as applied through section 105(a), protects  
11 against the disclosure of certain confidential information. Section 105(a) of the Bankruptcy Code  
12 empowers the Court to “issue any order . . . that is necessary or appropriate to carry out the provisions  
13 of this title.” 11 U.S.C. § 105(a). Section 107(b) further provides:

14 On request of a party in interest, the bankruptcy court *shall*, and on the  
15 bankruptcy court’s own motion, the bankruptcy court may—

16 (1) protect an entity with respect to a trade secret or  
17 confidential research, development, or commercial  
18 information . . . .

19 11 U.S.C. § 107(b). Parsing the language of 107(b), courts have emphasized that once the court  
20 determines that the information falls within one of the enumerated 107(b) categories, the court “is  
21 *required* to protect [the movant] and has no discretion to deny the application.” *In re Orion Pictures*  
22 *Corp.*, 21 F.3d 24, 27 (2d Cir. 1994). Section 107(b) expressly authorizes the court to grant protection,  
23 where warranted, to an entity’s confidential commercial information. Unlike its counterpart Rule  
24 26(c) of the Federal Rules of Civil Procedure, section 107(b) of the Bankruptcy Code does not require  
25 the movant to demonstrate “good cause.” *Orion Pictures Corp.*, 21 F.3d at 28. This protection extends  
26 to any party whose information needs protecting; it is not limited to the Debtors. *See In re Borders*  
27 *Grp., Inc.*, 462 B.R. 42, 48 (Bankr. S.D.N.Y. 2011) (granting motion to seal share purchase agreement  
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1 between the debtors and a purchaser to protect the information of the purchaser and the company  
2 whose stock was being sold).

3 The Bankruptcy Rules similarly authorize the Court to “make any order which justice  
4 requires (1) to protect the estate or any entity in respect of a trade secret or other confidential research,  
5 development, or commercial information.” Fed. R. Bankr. P. 9018; *see also In re Global Crossing*  
6 *Ltd.*, 295 B.R. 720, 725 (Bankr. S.D.N.Y. 2003) (“[T]he whole point of [Bankruptcy Rule 9018] is to  
7 protect business entities from disclosure of information that could reasonably be expected to cause the  
8 entity commercial injury”). Finally, the Local Procedures require that a request to seal is tailored to  
9 the sealable materials. *New District Wide Procedures For Electronically Filing Sealed and Redacted*  
10 *Documents*.

11 As discussed above, the Debtors and the Shareholder Proponents object to the RSA  
12 Relief Motion. Because the RSA Relief Motion is under seal, the Debtors and the Shareholder  
13 Proponents request that the Court permit the filing under seal of the Objection. For the reasons set  
14 forth herein, this Court should grant the Debtors’ and Shareholder Proponents’ request to seal the  
15 Objection to the extent that the RSA Relief Motion remains sealed.

16 C. The Court has Authority Under Section 105(a) of the Bankruptcy Code to Grant the  
17 Requested Relief and Such Relief is Appropriate

18 Section 105(a) of the Bankruptcy Code provides, in relevant part: “The court may issue  
19 any order, process, or judgment that is necessary or appropriate to carry out the provisions of this  
20 title.” 11 U.S.C. § 105(a). Under section 105(a) of the Bankruptcy Code, the Court has expansive  
21 equitable powers to fashion any order or decree that is in the interest of preserving or protecting the  
22 value of a debtor’s estate. *See, e.g., In re Chinichian*, 784 F.2d 1440, 1443 (9th Cir. 1986) (“Section  
23 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes  
24 of the Bankruptcy Code.”). As discussed above, the relief requested herein is warranted and  
25 appropriate given that the Debtors and the Shareholder Proponents are compelled to respond to the  
26 RSA Relief Motion, which is currently under seal.

1       **V.       NOTICE**

2               Notice of this Sealing Motion will be provided to (i) the U.S. Trustee (Attn: Andrew  
3   Vara, Esq. and Timothy Laffredi, Esq.); (ii) counsel to the Creditors Committee; (iii) counsel to the  
4   Tort Claimants Committee; (iv) the Securities and Exchange Commission; (v) the Internal Revenue  
5   Service; (vi) the Office of the California Attorney General; (vii) the California Public Utilities  
6   Commission; (viii) the Nuclear Regulatory Commission; (ix) the Federal Energy Regulatory  
7   Commission; (x) the Office of the United States Attorney for the Northern District of California;  
8   (xi) counsel for the agent under the Debtors' debtor-in-possession financing facilities; (xii) counsel  
9   for the Consenting Noteholders; (xiii) counsel for the Ad Hoc Committee, and (ix) those persons who  
10   have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule  
11   2002 (collectively, the "**Notice Parties**"). The Debtors respectfully submit that no further notice is  
12   required.

13               No previous request for the relief sought herein has been made by the Debtors.  
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1                   WHEREFORE the Debtors respectfully request entry of an order granting the relief  
2 requested herein and such other and further relief as the Court may deem just and appropriate.

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4 Dated: April 5, 2020

5                   **WEIL, GOTSHAL & MANGES LLP**  
6                   **KELLER BENVENUTTI KIM LLP**

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8                   /s/ Stephen Karotkin  
9                   Stephen Karotkin

10                   *Attorneys for Debtors and Debtors in Possession*

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13                   **JONES DAY**

14  
15                   By: /s/ James O. Johnston  
16                   James O. Johnston

17                   *Attorneys for the Shareholder Proponents*  
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